

WEEKLY WRAP

Issue 20

BRICKWORK RESEARCH

24 March 2025

Weekly Wrap

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India Economic News

- India's economy is projected to grow by 6.5% in FY26, with a slight dip to 6.3% in FY27. Fitch emphasizes that India remains relatively shielded from US trade policies due to its low external demand
- According to Morgan Stanley, India is set to become the world's third-largest economy by 2028, surpassing Germany. The Indian economy, valued at \$3.5 trillion in 2023, is expected to grow to \$4.7 trillion by 2026 and reach \$5.7 trillion by 2028
- As per the RBI, India's economic growth is expected to continue its momentum in Q4
- India's direct tax collections have increased by 16.15% year-on-year, totaling ₹25.86 lakh crore in FY 2024-25
- RBI's March bulletin points to rising global trade tensions and financial instability but emphasizes India's resilience, backed by robust agricultural performance and growing consumption
- India and New Zealand aim to finalize a comprehensive FTA within two months. Commerce and Industry Minister Mr. Piyush Goyal said

Global Economic News

- OECD has stated that the trade wars initiated by President Trump are hindering global growth and contributing to rising inflation. It has also revised its growth forecasts downward for the UK, the US, Canada, and Mexico
- The CNBC Fed Survey indicates that slower economic growth in the US is expected, with the likelihood of a recession increasing
- Fed policymakers project US inflation to rise to 2.7% this year, up from 2.5%, and forecast US GDP growth at 1.7%, down from Dec 2024 estimates of 2.1%
- ECB President Lagarde warned that a trade war could increase eurozone inflation by half a percentage point and harm growth. She also noted that rising trade tensions and a weaker euro could make monetary policy more challenging
- China plans to strongly boost consumption to support its economy. The communist party aims to encourage reasonable wage growth and ease financial burdens in response to the impact of Trump-era tariffs

Equity Markets	Last	1 Week	YTD
Nifty	23,515.40	0.71%	-1.01%
Sensex	76,905.51	4.17%	-1.35%
Dow Jones	41,985.35	1.20%	-1.31
S&P 500	5,667.56	-0.13%	-3.64%
Nasdaq	17,784.05	-0.14%	-7.88%
FTSE 100	8,646.79	0.17%	4.68%
Nikkei 225	37,749.99	0.54%	-4.20%
Shanghai	3,356.50	-0.25%	2.88%
CAC 40	8,042.95	0.18%	8.78%
DAX	22,891.68	-0.41%	2.88%
Commodities	Last	1 Week	YTD
Gold	\$3,020.3	2.70%	14.13%
Silver	\$33.70	1.90%	14.63%
Crude Oil WTI	\$67.84	-0.85	-8.06%
Currency	Last	1 Week	YTD
USD / INR	85.93	-0.06%	0.15%
EUR / INR	93.62	0.68%	5.80%
Government Bond	Last	1 Week	YTD
India 10 Year G-Bond	6.64	-0.30%	-6.59%

*YTD – Indicates % gain/loss as of today

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Central Bank and Regulatory Updates

- RBI has instructed IndusInd Bank to complete the necessary remedial actions within the current quarter. RBI reassured customers and investors that the bank's financial stability is intact and is under close monitoring
- RBI has announced a new open market operation to buy government securities worth ₹50,000 crore on March 25 to help ease market liquidity conditions
- RBI has injected approximately ₹15.5 lakh crore into the banking system over the past two months. In Q4FY25 alone, the central bank has provided around ₹5.5 lakh crore of durable liquidity
- SEBI has proposed easing offer-for-sale regulations by extending the exemption for the one-year holding period
- SEBI has relaxed the "skin-in-the-game" regulations for employees of AMCs. The revised rules will replace the previous framework, which was introduced in July 2021 and required AMCs to allocate 20% of senior executives' salaries in units of the schemes they manage

Sectoral News

- The Indian gaming industry is booming, with impressive growth ahead. In 2024, the market was valued at USD 3.7 billion, and it is projected to more than double to USD 9.1 billion by 2029, as stated in the India Gaming Report 2025
- Digital advertising in India is expected to expand at a CAGR of 19.09%, reaching ₹59,200 crore by 2025. E-commerce and digital retail are key drivers of this growth, according to Dentsu India
- India witnessed a record surge in deal activity in February 2025, totaling \$7.2 billion. 85 M&A deals valued at USD 4.8 billion were announced. Domestic deals made up 68% of the M&A volumes and accounted for 78% of the total value, according to Financial Express
- The Indian port industry is expected to grow by 4-7% over the next five years, driven by increasing imports and falling freight costs, according to a report by Motilal Oswal
- The Indian government has proposed a 12% temporary safeguard duty on certain steel products for 200 days to curb imports

Economic Indicators	Last	Previous
GDP Annual Growth Rate*	6.5%	9.2%
Unemployment Rate	8.2%	8.3%
Interest Rate	6.25%	6.5%
Government Debt to GDP	81.59%	82.49%
Consumer Confidence	93.7	94.0
Business Confidence	120	119
HSBC India Mfg PMI (Feb)	57.6	56.3
HSBC India Services PMI (Feb)	57.7	59
FX Reserves, USD Billion	654.27	653.97
Bank Deposit Growth	10.2%	10.3%
GST Collections (₹ Trillion) (Feb)	1.84	1.96
Infra Output (YoY) (Jan)	4.60%	4.00%
Trade Balance (Jan) USD Billion	-14.05	-22.99
WPI Food (YoY) (Feb)	3.38%	5.88%
WPI Fuel (YoY) (Feb)	-0.71%	-2.78%
WPI Inflation (YoY) (Feb)	2.38%	2.31%
WPI Mfg Inflation (YoY) (Feb)	2.86%	2.51%
CPI Inflation (YoY) (Feb)	3.61%	4.26%
Industrial Production (YoY) (Jan)	5.00%	3.5%

*GDP Estimates

* Views are personal

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